

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 219573

60

ORIGIN COME-00

INFO OCT-01 AF-10 ISO-00 EB-12 CIAE-00 INR-11 NSAE-00

RSC-01 /035 R

66609

DRAFTED BY: COM/BIC/OED/MEPD/WHAIMES/CF

APPROVED BY: EB/CBA/OCA/REP:GPWILSON

COM/BIC/OED/MEPD/JSANDS

COM/BIC/OED/MEPD/CATKINS

COMMERCE/DIBA/BIC/OIM:RPRYDLUN (INFO

STATE/EB/CBA/OCA/BR:IAWILLIAMSON

STATE/AF/W:HKWALKER

----- 006291

P 042210Z OCT 74

FM SECSTATE WASHDC

TO AMEMBASSY LAGOS PRIORITY

LIMITED OFFICIAL USE STATE 219573

E.O. 11652: N/A

TAGS: BEXP, NI

SUBJ: MAJOR PROJECT OPPORTUNITIES

REF: A) LAGOS 8812, B) LAGOS 8588, C) LAGOS 1667, D) LAGOS M58

E) LAGOS 4440, F) LAGOS 3793

SUMMARY: IN VIEW OF SIGNIFICANT MARKET DEVELOPMENTS IN NIGERIA, COMMERCE/MEPD HAS SPECIFICALLY EARMARKED NIGERIA FOR PRIORITY ATTENTION ON MAJOR PROJECT EFFORTS. EMBASSY'S ASSISTANCE AND ADVICE REQUESTED FOR MEPD TO PROVIDE SPECIALLY TAILORED PROGRAM TO SUPPORT EMBASSY'S COMMERCIAL EFFORTS. END SUMMARY.

1. IT IS EVIDENT FROM REFTELS THAT NIGERIA IS RAPIDLY BECOMING A SIGNIFICANT MARKET FOR PROCESS TECHNOLOGY/ENGINEERING AND CONSTRUCTION SERVICES, PARTICULARLY IN THE FIELDS OF PETROLEUM REFINING, NATURAL GAS PROCESSING, PETROCHEMICAL,
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 219573

FERTILIZER AND IRON AND STEEL DEVELOPMENT. THE FORTHCOMING

1975-1980 NATIONAL DEVELOPMENT PLAN REPRESENTS A TARGET FOR STRONG USG INITIATIVES AND AN OPPORTUNITY TO ESTABLISH EARLY US PRESENCE. BALANCE OF PAYMENTS STATISTICS SHOWING A SUBSTANTIAL US DEFICIT W/NIGERIA AS WELL AS NIGERIA'S STANDING AS A MAJOR OIL EXPORTING NATION FURTHER DICTATE THAT A MORE CONCENTRATED AND COORDINATED USG EFFORT BE MADE TO INCREASE U.S. PARTICIPATION IN PROJECT WORK.

2. EMBASSY'S REPORTING AND EFFORTS IN SUPPORT OF U.S. FIRMS PURSUING MAJOR TURNKEY ENGINEERING AND CONSTRUCTION CONTRACTS HAVE BEEN EXCELLENT. WE BELIEVE, HOWEVER, THAT INTENSIFIED AND SPECIFICALLY COORDINATED NEW EFFORTS SHOULD BE INITIATED TO HELP U.S. FIRMS GAIN FAIR SHARE OF UPCOMING BUSINESS.

3. FOR EXAMPLE, IN REF A EMBASSY CITES POSSIBILITY THAT NEW DEVELOPMENT PROGRAM MAY INCLUDE PLANS FOR 3 TO 4 EXPORT REFINERIES. IF THE SITUATION WHICH HAS DEVELOPED REGARDING SECOND REFINERY PROJECT IS REPEATED WITH NEW REFINERIES, U.S. FIRMS LIKELY AGAIN BE PRECLUDED FROM DIRECT PARTICIPATION IN THE DESIGN/CONSTRUCTION PHASE, AND DOL 500 MILLION DOLLARS OR SO OF EXPORT BUSINESS MAY BE LOST. THIS DIFFICULT PROBLEM WILL REQUIRE ANALYSIS OF SITUATION TO DETERMINE IF SPECIFIC USG INITIATIVES COULD INFLUENCE CONDITIONS TO THE BENEFIT OF U.S. FIRMS. MECPD EQUIPPED TO PROVIDE QUICKLY RANGE OF POSSIBLE USG INITIATIVES.

4. WE FORESEE ANOTHER PROBLEM WITH IRON AND STEEL DEVELOPMENT PLANS. RUSSIAN PARTICIPATION MAY CREATE SERIOUS OBSTACLE FOR US COMPANIES. THIS ALSO REQUIRES EVALUATION OF PROJECT IN ORDER TO DETERMINE ACTION PLAN. WE DO NOT HAVE ADEQUATE UNDERSTANDING OF PROJECT STRUCTURE TO MAKE SUCH A DETERMINATION OR DEVISE PLAN OF ACTION.

5. IN VIEW OF DIFFICULTIES SUCH AS THESE AS WELL AS PROBLEMS RELATED TO GENERAL BUSINESS PRACTICES IN NIGERIA, WE BELIEVE, SPECIAL EMPHASIS IS NEEDED TO FACILITATE CLOSER AND MORE TIMELY SUPPORT FROM COMMERCE AND INDUSTRY FOR THE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 219573

EMBASSY'S MAJOR PROJECTS EFFORTS. MOREOVER, COORDINATED ACTION PROGRAM DIRECTED TOWARD IMPROVING U.S. FIRMS' PARTICIPATION IN NIGERIAN MARKET COULD BE DEvised IF EMBASSY DESIRES. THIS COULD ALSO BE USEFUL IN SUPPORT OF EMBASSY'S CCP.

6. A PREREQUISITE TO ANY INITIATIVE TOWARD EFFECTIVELY IMPROVING USG AND INSUSTRY RESPONSE TO MAJOR PROJECT EFFORTS BY EMBASSY WOULD BE DIALOGUE BETWEEN

EMBASSY AND MEPD. WITH BETTER UNDERSTANDING OF THE SITUATION WE CAN BETTER FACILITATE AN INDUSTRY INPUT FROM HOME OFFICE MANAGEMENT. IF THE EMBASSY IS AGREEABLE, MEPD IS PREPARED TO SEND A PROJECT OFFICER TO LAGOS TO EXPLORE WITH EMBASSY STAFF MEANS OF ESTABLISHING BEST APPROACH FOR COORDINATED USG EFFORT AND TO DISCUSS PRIORITY PROJECTS CURRENTLY BEING CONSIDERED BY NIGERIAN GOVERNMENT. PROJECT OFFICER WOULD BE PREPARED TO ADDRESS LNG PROJECTS, PETROCHEMICALS, METALS AND MINERALS, REFINERY PROJECTS AND ANY OTHER PROJECTS EMBASSY DEEMS APPROPRIATE. LNG PROJECT IS ALREADY TARGETED AS HIGH PRIORITY (SEE SEPTEL). OF INTEREST WOULD BE MEETINGS, IF EMBASSY DEEMS ADVISABLE, WITH APPROPRIATE GOVERNMENT OFFICIALS WHICH ARE INVOLVED IN VARIOUS INDIVIDUAL PROJECTS AS WELL AS OVERALL DEVELOPMENT PROGRAM. MEPD OFFICER WOULD BE FLEXIBLE AND ENTIRELY AT EMBASSY'S DISPOSAL.

7. ACTION REQUESTED:

PLEASE ADVISE IF EMBASSY WOULD WELCOME VISIT FROM MEPD PROJECT OFFICER. IF EMBASSY CONCURS WITH PROJECT OFFICER VISIT PLEASE SUGGEST MOST DESIRABLE TIMEING, PREFERABLY IN OCT/NOV. WEEK OF OCT 28 WOULD BE CONVENIENT FROM MEPD STANDPOINT. KISSINGER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 04 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CollinP0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE219573
Document Source: CORE
Document Unique ID: 00
Drafter: COM/BIC/OED/MEPD/WHAIMES/CF
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740282-0097
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741070/aaaacihz.tel
Line Count: 140
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A) LAGOS 8812, B) LAGOS 8588, C) LAG, OS 1667, D) LAGOS M58
Review Action: RELEASED, APPROVED
Review Authority: CollinP0
Review Comment: n/a
Review Content Flags:
Review Date: 03 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 SEP 2002 by WorrelSW>; APPROVED <03 MAR 2003 by CollinP0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECT OPPORTUNITIES
TAGS: BEXP, NI
To: LAGOS
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005